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The Director of Central Intelligence

Washington, D.C. 20505

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National Intelligence Council

NIC#02342/88

29 June 1988

MEMORANDUM FOR: See Distribution

FROM:

Acting National Intelligence Officer for Near East  
and South Asia

STAT

SUBJECT: NESAs Warning and Forecast Report, 23 June 1988

1. Attached is my report to the Director for the June warning meeting. Our next meeting will be held on Thursday, 21 July at 1015 hours in Room 7E62, CIA Headquarters. The agenda for the July meeting will be sent to you in a separate memo.

2. Please have your clearances passed and provide the name of your representative to [ ] in the NIO/NESA office [ ] by NOON, 20 July 1988.

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## The Director of Central Intelligence

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Memorandum For: Director of Central Intelligence

From:

National Intelligence Officer for Near East  
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Subject: Near East and South Asia  
Warning and Forecast Meeting: 23 June 1988

1. The Warning and Forecast meeting was held on 23 June 1988 from 10:15 to 12:15 at CIA Headquarters in room 7E62.

2. Iran: Internal Political Change and the War.  
(Summary of presentation by CIA) Although Iran's current military and political problems are serious, the clerical regime faces no threat to its power in the near term. Statements by Ayatollah Khomeini and Majlis Speaker Rafsanjani indicate that Tehran will continue to look for a military solution to the war. Iranian leaders will change their war policy only if they believe that continuing the conflict will threaten the survival of the regime.

-- Iraqi missile attacks and ground victories have caused the most serious unrest in Iranian cities since 1985. The regime faces no organized opposition, however, and will use repression, propaganda, and welfare measures to quell the unrest. New Iraqi attacks on Iranian cities would undermine Iranian morale and support for the regime. Khomeini has apparently given his support to the idea of a cease-fire but only if Iran's demands for a commission to determine who started the war are met first.

-- Factional infighting between conservatives and radicals in the clerical regime poses some threat to stability. The conduct of the war and the role of the state in Iran increasingly divides the two groups. Although the radicals gained in recent elections, many Iranians believe the results were fraudulent. Conservatives still have the power to oppose policies proposed by the radicals.

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- Majlis Speaker Rafsanjani may face problems from splits among his coalition of supporters and developments in the war. In the near term, his backers agree that war must continue although they may disagree over how to conduct it. By assuming the position of Deputy Commander of the Armed Forces in June, Rafsanjani has gained more power to direct military efforts and suppress rivals. But he also now bears sole responsibility for any Iranian defeats. Pressure from the radicals for more extreme internal and external policies, unhappiness among his own supporters, and a series of Iraqi victories would significantly reduce the likelihood that Rafsanjani will retain power after Khomeini.
- Tehran is unlikely to seek a confrontation with the United States to divert attention from internal problems and military defeats. In the near term, Iran's vulnerability and military weakness will make Tehran cautious in the Persian Gulf. Nonetheless, Iran may continue "deniable" terrorism or perhaps even lay sea mines to try to maintain some pressure in the Gulf.

3. *Community Discussion.* Community members commented on Tehran's vague terms for a cease-fire. Some members stated that Iran could use the cease-fire and negotiations to rearm and later launch new attacks. CIA/NESA analysts responded that they believe Tehran could not easily renew the conflict after a cease-fire because of the lack of public support for another war.

4. DIA analysts noted that Iraq was likely to try to retake the Majnoon Islands soon and might move farther eastward to seize a large part of Iranian territory. The large build-up of Iraqi forces west of the Majnoons provides Baghdad with the mechanized forces and firepower for such an operation. Other members of the community stated that a major, deep move into Iran might prove counterproductive for Baghdad. It would renew Iranian morale and undercut Iraq's international efforts to portray itself as the peace seeker. Despite recent defeats, Iran still has a large amount of men and equipment on the southern front and might launch its own counterattack or offensive.

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6. Iran-Iraq: Chemical Warfare in Recent Battles.\*  
(Summary of CIA presentation) Iraq's significantly increased chemical attacks have played a crucial role in Baghdad's recent military success. Moreover, Iraq has altered its strategy and now uses chemical weapons in sizable offensive as well as defensive operations.

-- Chemical weapons--especially nerve agents--have significantly contributed to the speed and extent of Iraqi victories at Al Faw and Fish Lake. Such weapons have given Iraq a strategic advantage and, more importantly, have helped Baghdad keep Iraqi casualties low. Although Iraq's armed forces have used conventional arms--artillery, armor, air power--more skillfully in 1988, chemical weapons have been the key to victory.

-- Iran has made some public protests over Iraqi use of chemicals. Tehran may have decided that the costs of acknowledging heavy Iranian casualties from chemical weapons outweigh the possible propaganda gains of publicizing Iraq's use of them.

7. *Community Discussion.* Some DIA representatives took strong exception to the judgment that chemical weapons were the decisive factor in Iraq's recent victories. The DIO acknowledged that Iraq had used chemical weapons skillfully but it was not the feature that determined the outcome. DIA analysts stated that there was no evidence that Iraq had used chemical weapons extensively. These analysts believe that Iraq's military has improved enough and has sufficient equipment to win the battles without using chemicals. They cited Iraq's overwhelming superiority in armor, artillery and other weaponry as the key factor in its success.

8. A representative from the Office of Soviet Analysis (CIA/DI) stated that he agreed with DIA's position. He stated that the troops and equipment ratios of Iraqi and Iranian forces favored Iraq. Iraq did not need chemical weapons to win the battles.

9. CIA DI/NESA analysts repeated their judgment that Iraq's recent extensive and successful use of chemical weapons in offensives will have a profound impact on how Baghdad will wage war. Despite Iraq's overwhelming equipment advantage, Iraq would not have launched a crucial

\*CIA also distributed a handout citing the evidence of Iraqi and Iranian chemical attacks in recent battles.

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battle without the extra, proven advantage of chemical weapons. Moreover, chemical weapons helped Baghdad to keep Iraqi casualties low--a factor that will convince Iraqi leaders to use such weapons on a large-scale. Despite differences in the US intelligence community over the impact of chemical weapons, Baghdad believes such weapons are decisive and, therefore, will be encouraged to use them extensively in the future.

10. The NIO/NESA stated that differences in the community appeared to be the result of trying to answer different questions. She proposed that a select, small group of community analysts meet informally to clarify the key issues. To prepare for this meeting, she asked members to send her a memorandum, by 29 June 1988, describing what they see as the important issues on the recent use of chemical weapons in the war. The NIO will use the responses to develop a set of questions that will be answered at a meeting to be held sometime in late July.

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12. Pakistan: Setback for Democracy? (Summary of CIA presentation) Pakistani President Zia Al Haq dissolved the Junejo government primarily to end the civilian challenge to the military--Zia's main source of support.

- Zia will continue to try to put Afghan fundamentalist insurgent leader Gulbuddin Hekmatyar in power in Afghanistan. Afghanistan will remain a point of contention between Pakistan and India, although Zia and Indian Prime Minister Gandhi will work together to avoid conflict.
- President Zia probably will hold elections in late 1988 or, more likely, in early 1989. The elections will likely result in a weak parliament that will support Zia's programs. He will try to avoid ruling by presidential decree and does not want to return to marshal law. Zia's Islamization program and the proposed imposition of Sharia law appear to be designed to undercut his opponents. The opposition in Pakistan is fragmented but probably will take part in the election. Benazir Bhutto will not make the mistake of boycotting the election and risk losing

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credibility with the electorate as the main opposition leader.

- The dismissal of the Junejo government is a serious setback for democracy in Pakistan. Zia, however, faces no serious problems in the near future. The post election government will not change policy toward the United States and is likely to be more hard line toward the Soviets and the Soviet supported regime in Kabul.

13. *Community Discussion.* NSA analysts speculated that in contrast to his past decision, Zia did not carefully think through the implications of removing Junejo. His action appeared to be hasty and could lead to major problems in the future, especially if the elections go poorly for him. NSA analysts commented that ZIA had proposed, but never enforced, various Islamization efforts since the late 1970s, and he probably is not serious about the latest efforts.

14. CIA analysts agreed that over the long term Zia might face problems, especially if Afghan refugees remain in Pakistan, the economy falters, and the elections favor the opposition. They said the Islamization efforts could result in additional problems and opposition for him. He has the means to weaken or avoid instituting Islamization if it threatens to cause problems. Zia has time to organize his political supporters to wage an effective campaign. He also controls the levers of power to influence election results.

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